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No. 89-1193

In The

SUPREME COURT OF THE UNITED STATES

October Term, 1989

B & H INDUSTRIES
OF SOUTHWEST FLORIDA, INC.

- *Petitioner,*

V.

RICHARD A. DIETER, et al.

Respondents.

OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE ELEVENTH CIRCUIT

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QUESTIONS PRESENTED

1. Was a proper and complete record presented to the court of appeals by the district court?

2. Did the Court of Appeals improperly expand beyond this Court's decision in Park 'N Fly, Inc. v. Dollar Park and Fly, 469 U.S. 189, 224 U.S.P.Q. 327 (U.S. 1985) (hereinafter "Park 'N Fly") so as to decide an important question of federal law which has not been, but should be settled by this Court so as to make this case appropriate for review on certiorari?

3. Is the decision of the Court of Appeals in direct conflict with post-Park 'N Fly decisions in other

circuits so as to make this case appropriate for review on certiorari?

STATEMENT PURSUANT TO RULE 29.1

The Respondents are Richard A. Dieter, individually and d/b/a Shutterworld, and Richard A. Dieter General Contractor, Inc., a company wholly owned and controlled by Richard A. Dieter. The corporate respondent has no other corporate relationships.

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No. 89-1193

IN THE SUPREME COURT OF THE UNITED STATES

October Term, 1989

B&H Industries of Southwest Florida, Inc.

Petitioner,

v.

Richard A. Dieter, et al.,

Respondents.

STATUTES AND RULES INVOLVED

In addition to the statutes and rules cited by Petitioner in its petition and appendix, Respondents invite the Court's attention to the Internal Operating Procedures of the United States Court of Appeals for the Eleventh Circuit with particular regard to 11th Cir. R. 11-3. The 11th Cir. R. 11-3 is reproduced in

the Appendix at A84. The corresponding Internal Operating Procedure states, verbatim:

> Preparation and Transmission of Exhibits. In many districts, by local practice , discovery material is not filed with the clerk. Furthermore, exhibits may sometimes be returned to the parties. Parties are expected to notify the district court of any exhibits which they believe should be transmitted to the court of appeals, and if not then on file with the district court, to provide said exhibits to the district court clerk. (Emphasis added). I.O.P. to 11th Circ. R. 11-3.

STATEMENT OF THE CASE

In supplementation and clarification of the statement of the case made by petitioner B & H Industries of Southwest Florida, Inc. (hereinafter "B & H"), respondents Richard A. Dieter, d/b/a SHUTTERWORLD, and Richard A. Dieter General Contractor, Inc. (hereinafter,

collectively, "Dieter") respectfully add the following.

In its Petition, at 14, B & H states that its slogan was changed to eliminate the possibility that the name would be identified with products other than roll-down shutters. This was not a finding by the district court. Rather, the district court found that "According to Schoonover, Hoovis created this slogan to eliminate [any such possibility]...." A35. (Emphasis added.)

In its Petition, at 15, B & H states that it sought federal registration of the "Shutterworld" name and logo in 1986. That is true. However, this Court's attention is invited to the fact that this was the second application for federal registration of the "Shutter-world" name filed by B & H. A prior

application to register the "Shutterworld" name was filed by B & H, for "B & H first learned of Dieter's trademark in October of 1984 by a letter from the U. S. Patent and Trademark Office." A39 and A40.

In its Petition, at 17, B & H states that it never intentionally used the word "Shutterworld" unless it was accompanied by the slogan, and in stylized form. However, the district court noted that B & H did, in fact, use the word "Shutterworld" without stylized script or slogan to refer to its business and its product, interchangeably. A38.

At page 22 of its Petition, B & H accurately paraphrases the opinion of the district court when it says that Dieter first learned of B & H's use of "Shutterworld" in early 1987. However, as the

last paragraph beginning on page 22 of the Petition indicates, Dieter met with two representatives of B & H in August of 1986. Clearly, then, Dieter first learned of B & H and its use of the name "Shutterworld" in 1986.

The holding of the court of appeals is stated at page 31 of the Petition. Dieter respectfully submits that the Petition misstates the holding. By referring to the Appendix, this Court will see that the court of appeals held "that incontestable status is a factor to be taken into consideration in likelihood of confusion analysis." A18 and A19. The court of appeals then stated that given the incontestable status of Dieter's mark, it is presumed to be at least descriptive with secondary meaning. A19. "Accordingly, the

district court's conclusion that Dieter's mark was merely descriptive, and not entitled to strong protection [was] REVERSED." A19.

Finally, B & H does accurately set forth the denial of its Suggestion for Rehearing In Banc. A31. However, this Court must be made aware that at no time prior to the filing of that Suggestion had B & H ever questioned the validity of Dieter's registration on any grounds other than abandonment. The district court found that B & H had not even made a prima facie showing of abandonment. A54. Absolutely no issue of the validity of Dieter's registration was presented in either party's briefs to the court of appeals, for no such issue is even mentioned in the opinion of that court. See A1-A21. In fact, both the district

court (A51) and the court of appeals (A7) found Dieter's mark to be incontestable. No issue concerning the validity of Dieter's mark is properly before this Court.

SUMMARY OF ARGUMENT

A proper and complete record was provided to the court of appeals. If B & H wished to have any exhibits transmitted to the court of appeals, it was the responsibility of B & H to notify the district court in that regard. I.O.P. to 11th Cir. R. 11-3. The court of appeals acted strictly within the bounds of the "clearly erroneous" rule in reversing the decision of the district court, and no issue relating thereto makes this case appropriate for review on certiorari.

The decision of the court of appeals does not improperly expand this Court's decision in Park 'n Fly v. Dollar Park and Fly, Inc., 469 U.S. 189, 105 S.Ct. 658, 83 L.Ed.2d 582, 224 U.S.P.Q. 327 (1985). In Park 'N Fly, this Court held that "the holder of a registered mark may rely on incontestability to enjoin infringement...." Id. at 469 U.S. 205, 224 U.S.P.Q. 334. The decision of the court of appeals is in full accord with that holding, for it simply acknowledges that the incontestable status of a registered mark is a factor to be taken into consideration [relied upon] in determining likelihood of confusion. That factor was erroneously ignored by the district court. This case does not improperly expand Park 'N Fly, and is not appropriate for review on certiorari.

Finally, the decision of the court of appeals is not in direct conflict with other circuits. Even when most gratuitously viewed, the circuit court opinions cited in the B & H Petition can only be read to say that incontestability, without more, will not make a weak mark strong. The court of appeals in this case held that incontestability is "a factor to be taken into consideration" in determining likelihood of confusion. A18 and A19. Properly taken in combination with all of the other factors to be considered, the court of appeals found a likelihood of confusion between the Dieter "Shutterworld" mark and the B & H "Shutterworld" mark. The decision of the Eleventh Circuit is not appropriate for review on certiorari.

ARGUMENT

I. A Proper and Complete Record Was Before the Court of Appeals.

The essence of the first argument made by B & H in its Petition for Certiorari is to the effect that review must be afforded by this Court, for an incomplete record was reviewed by the court of appeals. The error of this position is immediately apparent when one considers the provisions of the Local Rules of the Eleventh Circuit and its Internal Operating Procedures.

As set forth in the Appendix at A84, Rule 11-3 of the Eleventh Circuit provides that the clerk of the district court is responsible for transmitting with the record to the clerk of the court of appeals "a list of documents correspondingly

numbered and identified with reasonable definiteness." Dieter certainly does not dispute the provisions of this Rule 11-3. However, B & H appears to have overlooked the Eleventh Circuit's stated and published procedures for interpreting and implementing that rule as contained in the Internal Operating Procedures of the Eleventh Circuit. I.O.P. to 11th Cir. R. 11-3 has been reproduced in this Reply under the heading "STATUTES AND RULES INVOLVED," supra, at 5. The Internal Operating Procedure relating to the preparation and transmission of exhibits specifically obligates the parties to an appeal before the Eleventh Circuit to notify the district court of any exhibits which they believe should be transmitted to the court of appeals.

Nowhere in its Petition does B & H allege that any such notification was given to the district court, for B & H provided no such notification. At this late date, B & H cannot be heard to seek review on certiorari based upon an alleged "error" of its own making.

Dieter would further invite this court's attention to the fact that nowhere in its Petition does B & H identify even one specific trial exhibit, the presence of which would show any error on the part of the court of appeals. Nowhere in the opinion of the trial court (A22-A77) does the district court raise any issue of dispute or conflict concerning the documentary exhibits. Nowhere in the opinion of the court of appeals (A1-A21) does that court discuss any issue or controversy concerning the trial exhibits.

Clearly, a proper record was before the court of appeals. Just as clearly, the opinion for which this writ of certiorari is sought thoroughly and correctly applied the "clearly erroneous" standard as set forth in prior decisions of this Court.

II. The Decision of the Court of Appeals Does Not Improperly Expand Beyond this Court's Decision In Park 'N Fly.

Contrary to the assertions set forth by B & H in its Petition, this court of appeals did not hold that a mark's incontestable status creates a presumption that the mark is strong. Rather, the court of appeals held that incontestable status is a factor to be taken in consideration in likelihood of confusion analysis. The error corrected by the court of appeals was the failure of the district court even to consider the

incontestable status of Dieter's mark in evaluating likelihood of confusion.

Dieter does not, and has not, taken the position that the incontestable status of a mark is determinative of likelihood of confusion. Infringement must be proved. Neither did this court of appeals. However, Dieter strongly supports the holding that incontestable status is to be considered in determining likelihood of confusion, and, if "the holder of a registered mark may rely on incontestability to enjoin infringement," (Park 'N Fly, 469 U.S. at 205), that it certainly was not an improper expansion of that decision for this court of appeals so to hold.

The B & H Petition accurately notes that the court of appeals considered but chose not to follow Source Services Corp.

v. Chicagoland Job Source, Inc., 643 F. Supp. 1523, 1 U.S.P.Q.2d 1048 (N.D. Ill. 1986), and only mentioned in a footnote (Petition at 51) that the decision of the court of appeals was in accord with the Sixth Circuit in Wynn Oil Co. v. Thomas, 839 F.2d 1183, 5 U.S.P.Q.2d 1944 (6th Cir. 1988). The opinion of the court of appeals neither conflicts with nor improperly extends this court's decision in Park 'N Fly, and is in accord with the opinion of the Sixth Circuit in Wynn Oil. This case does not present an issue appropriate for review on certiorari.

III. The Decision of the Court of Appeals Is Not In Direct Conflict with Other Circuits.

In its attempt to obtain a writ of certiorari, B & H seeks to cast the opinion of the court of appeals as being

in "direct conflict" with the decisions of "various" other circuit courts when interpreting **Park 'N Fly**. However, upon examination of the cases relied on in the Petition, it becomes quite apparent that many of the seven significant factors, and not just the strength of the mark sub judice, compelled the results in those cases.

For example, Oreck Corp. v. U. S. Floor Systems, Inc., 803 F.2d 166, 231 U.S.P.Q. 634 (5th Cir. 1986), cert. denied, 481 U.S. 1069 (1987), certainly did not turn solely upon an interpretation of the meaning to be given **Park 'N Fly**. In evaluating the strength of the mark in the **Oreck** case, the Fifth Circuit found several characteristics weighing against affording broad trademark protection to the "XL" mark. That court found that the

same mark was used by third parties on a variety of commercial goods. No such finding was made at the trial of this case. Furthermore, the Fifth Circuit noted that Oreck regularly advertised its mark in connection with the words "extended life." Once again, there is no such similar finding with regard to Dieter's "SHUTTERWORLD" mark. Under all the circumstances present in the Oreck case, the Fifth Circuit concluded that the mark simply did not deserve the broad measure of protection that would be required in order to prohibit that defendant's limited use. It should also be noted that the Fifth Circuit, in Oreck found only slight similarity between the plaintiff's and defendant's marks. To the contrary, here, even the district court found "strong similarity" in this

case. A62. In Oreck, the Fifth Circuit further found a significant difference in purchasers of the products of the plaintiff and defendant. Here, both the district court and the court of appeals found the customers of Dieter and B & H to be similar. The court of appeals further reversed the district court's finding with regard to a difference in retail strategies as being clearly erroneous and held the retail outlets and customers of Dieter and B & H to be similar. In short, Oreck is inapposite.

B & H also relies upon the decisions in M-F-G Corp. v. Emra Corp., 626 F.Supp. 699, 228 U.S.P.Q. 568 (N.D. Ill. 1985), aff'd 817 F.2d 410, 2 U.S.P.Q.2d 1538 (7th Cir. 1987). In that case, the scope of protection afforded by an incontestable

mark was under consideration. However, the decision of the district court clearly stands for the position that incontestability does not broaden the scope of protection over a greater range of products than the owner would otherwise be entitled to claim. The district court further found that none of the traditional indicators of strength of a mark favored the plaintiff in that case. Accordingly, the incontestable registered mark used to identify hair cutting scissors and replacement blades was found not to be infringed by use of a similar mark for hair cutting shops and shampoo. It should also be noted that the district court found an absence of identity between purchasers, retail outlets and advertising media. The **M-F-G** case certainly was not

decided just on the court's interpretation and application of **Park 'N Fly**.

In affirming the decision of the district court in the **M-F-G** case, the Seventh Circuit simply affirmed the finding of no likelihood of confusion. Notably, though, the Seventh Circuit did observe in its opinion that the defendant agreed that the incontestable status of plaintiff's mark as used to identify shears prevented the defendant from applying the same mark to shears used in its hair cutting shops.

The opinion of the Ninth Circuit in **Miss World (UK) Ltd. v. Mrs. America Pageants, Inc.**, 856 F.2d 1445, 8 U.S.P.Q. 2d 1237 (9th Cir. 1988), is relied upon by B & H as being in direct conflict with the opinion of this court of appeals. However, the **Miss World** opinion states

that incontestable status alone does not establish a strong mark. See Petition at 54. Dieter respectfully submits that the opinion now presented to this Court for certiorari is actually in accord with **Miss World**, for in that case the Ninth Circuit noted that incontestable marks are "conclusively presumed to have secondary meaning." **Miss World**, 8 U.S.P.Q.2d at 1240, n.4. The district court in the case presently before this Court did not recognize that incontestability demonstrated secondary meaning, and the court of appeals found that to be error. It should also be noted that, unlike the present case, the marks in **Miss World** were found to be dissimilar. There is no "direct conflict" with **Miss World**.

In summary, the decision of the Eleventh Circuit in this case simply is not in direct conflict with the decisions of other circuits. Any fair reading of the court of appeals' decision in this case shows that its reversal of the district court with regard to the issue of likelihood of confusion was not solely based upon its holding that the incontestable status of a mark is a factor to be considered in determining the strength of the mark. Both the district court and the court of appeals utilized the seven factor analysis recognized in **Freedom Savings and Loan Ass'n v. Way**, 757 F.2d 1176 (11th Cir. 1985), cert. denied. 474 U.S. 845, 106 S.Ct. 134, 88 L.Ed. 2d 110 (1985). Neither Dieter nor B & H has challenged the applicability of those seven factors.

On appeal, Dieter challenged four specific points in the opinion of the district court: (1) its finding that Dieter's mark had not acquired secondary meaning; (2) its finding that the retail strategies of Dieter and B & H were not similar; (3) its finding that the businesses of Dieter and B & H were geographically separate; and (4) its finding that B & H's continued use of the "SHUTTERWORLD" mark was in good faith. A8-A9. The court of appeals ruled in favor of Dieter on all but the last of the four challenged points. At trial, the district court found in favor of Dieter with regard to the similarity of marks (A62), and with regard to similarity of products (A64). With all factors considered, the court of appeals found clear error in the opinion of the district

court and reversed its conclusion of no infringement. This case is not appropriate for review on certiorari.

In order to respond to all of the issues cast by B & H in its Petition, Dieter submits that the recent amendments to the Federal Trademark Law do nothing to bolster the B & H Petition. Dieter agrees that the owner of an incontestable mark must still prove its case for infringement, including likelihood of confusion. As found by this court of appeals, that is precisely what Dieter did.

Finally, the attempt by B & H to challenge the incontestable status of Dieter's mark is best characterized as "too little, too late." This issue was not raised in the district court. It was not raised on appeal to the Eleventh

Circuit. Both courts held Dieter's "SHUTTERWORLD" mark to be incontestable. A51 and A7.

CONCLUSION

For the reasons set forth above, Dieter requests the Court to deny the writ. Alternatively, Dieter requests the Court, pursuant to its Rules, to affirm the decision of the court of appeals.

Respectfully submitted,

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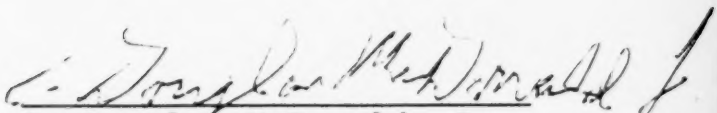
By: 
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